

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 EB-04 FRB-01 H-01 INR-05 INT-05 L-01 LAB-01

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-20

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

SWF-01 DRC-01 /085 W

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P R 111918Z OCT 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 3156

INFO AMEMBASSY LONDON PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

USMISSION EC BRUSSELS

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STATE PASS WHITE HOUSE, LONDON FOR AMBASSADOR EBERLE

E.O. 11652: N/A

TAGS:

SUBJECT: PRESS REACTION AMBASSADOR EBERLE VISIT TO PARIS

1. FOLLOWING IS SIGNIFICANT FRENCH PRESS REACTION TO
AMBASSADOR EBERLE'S VISIT TO PARIS OCTOBER 9-10.

2. MASS-CIRCULATION FRANCE-SOIR SAID: "WILLIAM EBERLE,
PRESIDENT FORD'S SPECIAL ENVOY FOR ECONOMIC AFFAIRS TO
EXPLAIN THE AMERICAN ANTI-INFLATION PLAN TO THE PARTNERS
OF THE U.S., REITERATED IN PARIS THURSDAY MORNING THAT
THE U.S. WILL REMAIN 'AN OPEN MARKET'. REFERRING TO THE
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PROBLEM OF RAW FOOD MATERIALS SUCH AS WHEAT AND SOYBEAN,

MR. EBERLE SAID: 'WE DO NOT INTEND TO ENFORCE CONTROLS ON EXPORTS OF FOOD PRODUCTS, BUT WE HAVE A MONITORING SYSTEM'. THE U.S. PRESIDENT'S ENVOY, HOWEVER, WARNED THE PARTNERS OF THE U.S.: 'IF THEY RESTRICTED THEIR IMPORTS OR SUBSIDIZED THEIR EXPORTS, THIS WOULD GIVE RISE TO A RATHER RAPID REACTION ON THE PART OF THE U.S.'

3. THE FINANCIAL DAILY LES ECHOS SAID "THE INTERNATIONAL ECONOMIC SITUATION IS HELPING THE NEW AMERICAN FARM POLICY, WHICH IN OTHER TIMES COULD HAVE BEEN JUDGED SAVAGE. GOVERNMENTS IN EUROPE AND JAPAN PREFER TO PROMISE THEIR COOPERATION IN RESPONSE TO THE GOOD WILL OF THE WHITE HOUSE RATHER THAN TO BEAR THE CONSEQUENCES OF A TOO DRASTIC TIGHTENING OF THE SCREW IN AMERICA. THIS APPARENT CONSENSUS WILL BE HARD TO OBTAIN ON THE GRAIN PROBLEM. IN THE NAME OF PRICE STABILITY AND OF A DECREASING WORLD PRODUCTION, MR. EBERLE COULD SHOW HIMSELF FIRM WITHOUT CONVEYING A BAD IMAGE OF THE U.S. INsofar AS THE U.S. HAS GIVEN UP ITS TOO CONSPICUOUS BIG STICK POLICY AND ADOPTED THAT OF PERSUASION, MR. EBERLE IS UNLIKELY TO GO BACK TO THE U.S. OVERWHELMED WITH REPROACHES."

4. THE CONSERVATIVE DAILY AURORE UNDERSCORED MR. EBERLE INSISTENCE ON U.S. DETERMINATION TO MAINTAIN "OPEN MARKETS ON BOTH SIDES OF THE ATLANTIC AND IN JAPAN," ADDING THAT IF THIS WAS NOT THE CASE "AMERICAN REACTION MIGHT BE FAST IN COMING." AS FOR FARM EXPORTS, IT WENT ON, "THE WHITE HOUSE, WHILE REFUSING QUOTAS, DOES NOT WANT TO SEE COUNTRIES BUILD UP STOCKPILES OF FARM PRODUCTS FOR FUTURE SPECULATION."

5. A FOUR-COLUMN HEADLINE ON PAGE ONE IN FINANCIAL DAILY LE NOUVEAU JOURNAL OCTOBER 11 RAN: MR. EBERLE IN EUROPE. AMERICAN WHEAT WILL BE RESERVED FOR 'COOPERATIVE' COUNTRIES, PRESIDENT FORD'S SPECIAL ENVOY UNDERSCORES." THE PAPER NOTED THAT "EUROPEAN CIRCLES IN BRUSSELS SEEM TO VIEW WITH SOME ANXIETY THIS EXTENDED IRON HAND IN A VELVET GLOVE."

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6. INTERNATIONAL HERALD TRIBUNE REPORTED: "EUROPE LIKES FORD PLAN, EBERLE SAID. IN PRINCIPLE THE (EBERLE) TOUR IS AIMED AT GIVING LIFE TO REPEATED PROMISES BY THE MAJOR INDUSTRIALIZED COUNTRIES TO CONSULT MORE FREQUENTLY TO MAKE SURE THEIR ECONOMIC POLICIES DO NOT CONFLICT. WHEN QUESTIONED WHY HIS 'CONSULTATIONS' WERE TAKING PLACE AFTER THE FORD SPEECH, MR. EBERLE

NOTED THAT THE KEY-ELEMENTS OF THE PROGRAM--SURTAXES
ON CORPORATIONS AND INDIVIDUALS, AN INVESTMENT
TAX CREDIT FOR BUSINESS, EXPANDED UNEMPLOYMENT BENEFITS
AND AID TO THE DEPRESSED HOUSING INDUSTRY--REQUIRE
CONGRESSIONAL APPROVAL. CONGRESS MAY NOT ACT UNTIL EARLY
NEXT YEAR,MR. EBERLE NOTED, LEAVING AMPLE TIME FOR THE
FOREIGN REACTION TO THE PROGRAM 'TO BE TAKEN INTO
CONSIDERATION'.HE INDICATED,HOWEVER, THAT THE OFFICIALS
HE HAD SPOKEN TO SO FAR HAVE NOT YET HAD TIME TO GO OVER
THE PROGRAM IN DETAIL BUT THEIR FIRST REACTIONS
WERE FAVORABLE. MR. EBERLE SAID THAT THE 'MODERATELY

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RESTRICTIVE' BUDGETARY AND MONETARY POLICIES WILL RESULT IN 'NEUTRAL GROWTH --PLUS OR MINUS ZERO' IN THE IMMEDIATE FUTURE.THIS WILL HAVE A MINIMUM IMPACT ON THE DEMAND FOR FOREIGN GOODS--A MAJOR CONCERN FOR FOREIGN EXPORTERS WHO ARE LOOKING FOR MARKETS FOR THEIR PRODUCTS BECAUSE 'THE U.S. MARKET WILL REMAIN OPEN AND THE NORMAL IMPORTS WILL TAKE PLACE,'EVEN AT ZERO GROWTH.ASIDE FROM THE 'VOLUNTARY MONITORING SYSTEM' ON AGRICULTURAL EXPORTS,HE SAID THAT THE GOVERNMENT DOES NOT INTEND TO INTRODUCE ANY CONTROLS ON EXPORTS OR IMPORTS."

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7. UPI LEAD SAID AMERICA'S TRADING PARTNERS WERE BREATHING A SIGH OF RELIEF THAT THE U.S. DID NOT TAKE STRONGER DEFLATIONARY MEASURES.THEY HAD FEARED THAT FORD'S PROPOSED MOVES TO LOWER U.S. INFLATION WOULD SLASH EUROPEAN MARKETS BY LOWERING AMERICA'S GROWTH RATE.ON THE OECD NEWS CONFERENCE,IT SAID:"EBERLE SAID IT WAS TRUE THAT GNP GROWTH WOULD BE ZERO,BUT THAT THIS DID NOT MEAN THERE WOULD BE NO EXPANSION OF THE ECONOMY.AT ZERO GROWTH,NORMAL IMPORTS AND EXPORTS WOULD BE EXPECTED TO TAKE PLACE. WE HAVE NO REASON TO BELIEVE THERE WILL BE A BASIC CHANGE IN THE PATTERN OF IMPORT-EXPORT GROWTH, HE TOLD NEWSMEN AT OECD HEADQUARTERS. REITERATING THE ASSURANCES HE GAVE COMMON MARKET OFFICIALS ON U.S. AGRICULTURE EXPORTS, EBERLE SAID: 'IT IS NOT OUR PLAN TO HAVE GENERAL EXPORT CONTROLS ON FOOD. THE SUCCESS OF THAT PLAN DEPENDS ON OUR PARTNERS' MAINTAINING THE SAME KIND OF GENERAL POLICY'. HE ADDED: 'THERE WAS CONCERN (FROM THE TRADING PARTNERS) IN ASKING ABOUT THE FOOD SUPPLY. BUT EVERYBODY RECOGNIZED THAT COUNTRIES ARE NOT GOING TO BE ABLE TO BUILD STOCKS THIS YEAR. WE DO HAVE A GENERAL UNDERSTANDING WITH THE COMMUNITY AS TO THEIR NEEDS'."

8. IN A REPORT ON THE EBERLE-FOURCADE MEETING, AFP SAID: "AFTER THIS 50-MINUTE CONVERSATION, MR. EBERLE SAID HE CAME TO EXPLAIN TO THE FRENCH MINISTER THE ANALYSIS OF THE ECONOMIC SITUATION MADE BY THE U.S. PRESIDENT AND TO GIVE HIM DETAILS OF THE RESTRICTIVE MEASURES ANNOUNCED BY MR. FORD TUESDAY. 'WE DO NOT INTEND TO ESTABLISH OVERALL CONTROLS ON OUR EXPORTS,NOTABLY OUR EXPORTS OF FOOD PRODUCTS,' MR. EBERLE SAID.'WE ARE ASKING FROM OUR PARTNERS NOTHING IN PARTICULAR' HE WENT ON SPECIFYING THAT HE WAS IN EUROPE TO STEP UP THE ENFORCEMENT OF ANTI-INFLATION

POLICIES AND TO INVITE GOVERNMENTS TO COOPERATE CLOSELY UNDER PRESENT CIRCUMSTANCES. 'PRESIDENT FORD'S PROGRAM IS NOT AN AUSTERITY PROGRAM'MR.EBERLE SAID.'IT AIMS AT WHIPPI INFLATION AND RESTORING ECONOMIC BALANCES.'"

9.VOA CORRESPONDENT JOHN BUE REPORTED FROM PARIS:
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"AT A NEWS CONFERENCE AT THE HEADQUARTERS OF THE TWENTY-FOUR NATION ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT,OECD,MISTER EBERLE SAID IN REPLY TO QUESTIONS THAT SO FAR CRITICISM OF THE U.S. PROGRAM HAS BEEN LEVELLED AT ONE OR OTHER OF ITS SPECIFIC ASPECTS.SOME SAY ANTI-INFLATION MEASURES ARE NOT ENERGETIC ENOUGH,OTHERS SAY THE ECONOMY IS BEING SLOWED DOWN TOO MUCH.MISTER EBERLE POINTED OUT THAT EVEN IN CONDITIONS OF ABOUT ZERO GROWTH,EMPLOYMENT IN THE U.S. ROSE BY ABOUT ONE MILLION LAST YEAR AND THAT ANNUAL AMERICAN FOREIGN EXCHANGES (SIC) AMOUNTED TO SOMETHING LIKE TWO HUNDRED THOUSAND MILLION DOLLARS. THE AIM OF THE U.S. PROGRAM SAYS MISTER EBERLE, IS TO MOVE INFLATION DOWN SLOWLY WITHOUT JEOPARDIZING THE LONG-TERM REVIGORATION (SIC) OF THE U.S. ECONOMY. THE PROGRAM, HE SAYS, HAS TO BE SEEN AS A BALANCED PACKAGE. HE REITERATED HIS BRUSSELS STATEMENT THAT THE U.S. DOES NOT PLAN TRADE CONTROLS WHILE EXPECTING ITS ALLIES TO AVOID A "BEGGAR-THY'NEIGHBOR" POLICY AS THEY HAD AGREED AT OECD IN MAY THIS YEAR. IN ANSWER TO ANOTHER QUESTION HE MADE CLEAR THERE WOULD BE AMPLE TIME FOR IN-DEPTH CONSULTATIONS WITH AMERICA'S TRADE PARTNERS BEFORE THE U.S. ECONOMIC MEASURES ARE FINALLY IMPLEMENTED."
IRWIN

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